

## With China funding, messaging app Kik joins unicorns

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Canada-based smartphone messaging application Kik said Tuesday it raised \$50 million from Chinese Internet giant Tencent, saying the two firms have a "shared vision."

The funding vaults the firm launched by University of Waterloo students

into the so-called "unicorn" club of startups with valuations over \$1 billion, according to a Kik statement.

With the capital, Kik aims to build a chat-based ecosystem around its base of American youth.

The company says 70 percent of its 240 million registered users are between 13 and 24 years old, and that 40 percent of US teens use Kik.

"Young Americans are a large group with unmet needs. We can't think of a better group to be building for," said Ted Livingston, founder and chief executive of Kik.

Livingston said Tencent, which operates the WeChat messaging service in China, was the best partner for his firm because it allows users to connect with friends as well as shop, order taxis, and play games, among other things.

"It was clear they understood chat deeply, making them a great sounding board," he said in a blog post.

"When we met the Tencent team in China, it became clear that we had a shared vision. We agreed that someone would do in the West what WeChat was doing in China. The only question was who. We both believe it could be Kik."

The Ontario-based group launched in 2009 has 51 employees, according to its website.

In its mission statement, Kik says "the [smartphone](#) era represents a transformation as big as the rise of the PC or the creation of the Internet" and that "chat is at the core of the smartphone era."

Tencent, in its most recent quarterly report, saw its net profit surge by 25 percent buoyed by growth in online advertising revenue and from WeChat.

WeChat, also known as "weixin" or micro-message in Chinese, has reached 600 million in monthly active users since its launch in 2011.

The app is more versatile than US rival WhatsApp, allowing its users to find each other by shaking their smartphones, book and pay for taxis, as well as send text, photos, videos and voice messages.

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